bribes and keep quiet about it because there are other provisions of the bill they want. This is a wrong that is bigger than dollars and cents, and it needs to be stopped. I remind my colleagues that the clock is running and will run out, and this bill will die unless an accommodation is made on this issue.

If you care about this bill, if you really believe that this bill is important—and I believe it is important, but I don't buy into the logic that we are not going to pass the bill early in the next session if we don't pass it here this week, but some people believe we won't—what I am saying is for those who want the bill now, there is one thing you have to do to get this bill. You will have to do something about the expansive CRA provisions.

Finally, let me say even if you fix CRA, the clock is running out, and if you are going to fix it, you better do it fast. That, I think, is the essence of our message.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SHELBY. Mr. President, I will take just a minute tonight. I associate myself with Senator GRAMM. We worked on this together in the Banking Committee and we will be working together on this for a long time. I will take a minute to inform the Senate of my objections to H.R. 10.

I believe that members of the Senate have not had the proper time to study and debate this matter. Most do not even know what is in this bill. This is a very complicated bill. There are a lot of good things in it, but there are some things that Senator GRAMM has raised and I will raise as the debate goes along that we need to debate and we need to take out of this bill. I believe Senators are just being told basically that this is a historical opportunity, you must pass H.R. 10.

Think about it tonight. We make history in this Chamber, the U.S. Senate, every day. If we pass H.R. 10 just because everyone on Wall Street tells us to pass H.R. 10, this will, indeed, be a historical moment. But I don't believe that is going to happen, not with a lot of the provisions that are now in the bill.

If H.R. 10 is so great, why is everyone reluctant to debate the bill? How come the members of the Senate Banking Committee were not permitted to read, study, or share the manager's amendment until the morning of the markup? Is that the way a Committee is supposed to function? What is hidden in this bill?

I'll tell you one thing that is in this bill—so well hidden, not one of the bank trade associations—not the American Bankers Association, the Independent Bankers Association of America, America's Community Bankers, the Bankers Roundtable or even the Consumer Bankers Association knew the implications of the CRA expansion in this bill until Senator GRAMM and I sent around a ''Dear Colleague'' about a week and a half ago. None of those associations realized that they were subjecting member bank officers and directors to million-dollar-a-day civil money penalties for CRA noncompliance.

Why didn't the associations realize this? These associations are caught up in the rush to judgment. They have not given proper consideration to this bill, and neither have we.

With less than a week to go in this Congress, H.R. 10 is being jammed through the Senate. The Senate is supposed to be the deliberative body.

There are many good things in H.R. 10, Mr. President, but there are also many bad things in H.R. 10. Currently, community groups and even labor unions use CRA to protest the merger of financial institutions. Most of the time, the merging institutions are forced to pay off the protest groups just in order to consummate the merger. Make no mistake about it, this is legalized extortion, one that the U.S. government is aiding and abetting.

The financial institutions who support this bill are used to paying off consumer groups. Nationsbank and BankAmerica have committed $350 billion to CRA in order to merge. Citibank and Travelers Group have committed over $100 billion to CRA in order to merge. These large institutions are used to paying a toll every time they want to do business.

That may be fine for Wall Street, but that is not fine for Main Street. Not every financial institution around the country has $350 billion to buy off consumer groups and labor unions.

Who do you think pays for this legalized extortion? I'll tell you who: all the paying customers in this country. Everybody is complaining about large institutions charging more and more fees at higher rates, ATM fees, late fees and the like. It takes a lot of fees to pay for a $350 billion CRA commitment.

Senator GRAMM and I have consistently stated our position since the Banking Committee first held a hearing on H.R. 10 several months ago. We will not seek to repeal, reduce or eliminate the CRA as it stands in its current form. However, we will not agree to expanding either the scope or the enforcement authority of CRA in H.R. 10.

Now, some have insisted on expanding both the scope and enforcement authority of CRA in H.R. 10. In this bill, some even delink CRA from deposit insurance and subject bank affiliated wholesale financial institutions woofies to CRA. The interesting thing about this is the woofies do not take deposits of less than $100,000 and are not insured by the Federal Government.

I guess, we could roll over like all the banks before us who have paid off the consumer groups. But, I for one, will not succumb to that kind of extortion, and I will fight this thing as long as it stays in the bill. Government mandated credit allocation is wrong. Legalized extortion is wrong.

Last week, Senator GRAMM said that this is a principled objection. It is. We will not be bought off by Wall Street. Wall Street does not have the best interest of Americans in mind in this bill. The only thing they understand is dollars and cents. The principle they understand is profit. The interest of Wall Street is not always the interest of Main Street.

Here is a message for Wall Street in terms I hope they can understand: If you really want to pass financial modernization, in order to consummate mergers and make money off of every American by offering a vast array of services, go to those that are insisting on expanding CRA and ask them to work with Senator GRAMM and myself in making H.R. 10 CRA neutral. Otherwise, I believe this bill will ultimately fail. There may be some late nights and strong words, but I, for one, am committed to ensuring this bill will not become law.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

UNANIMOUS CONSENT AGREEMENTS

Mr. HAGEL. Mr. President, on behalf of the leader, I ask unanimous consent that notwithstanding rule XXII, that the Senate proceed to vote on adoption on the motion to proceed at 10 o'clock a.m. on Wednesday. Before the Chair grants the consent, for the information of all Senators, immediately following the adoption of the motion to proceed to H.R. 10, the cloture vote with respect to S. 442 would occur under the provisions of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAGEL. Mr. President, on behalf of the leader, I further ask consent that it be in order for the majority leader, after notification of the Democratic leader, to move to proceed to any available appropriations bills, conference reports, or resume the Internet bill prior to the 10 a.m. Wednesday vote, notwithstanding the invoking of cloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. HAGEL. For the information of all Senators, in light of this agreement, the leader expects the Senate to resume the agriculture appropriations conference report tomorrow morning. In addition, tomorrow afternoon, the leader expects the Senate to resume the Internet tax bill. Therefore, votes could occur with respect to that bill, as well. A cloture vote on the Internet tax bill will occur Wednesday at 10 a.m.

Assuming cloture is invoked, the Senate would then remain on the Internet tax bill until disposed of. Therefore, votes can be expected throughout the day and evening on Wednesday.

Having said all of that, there will be no further votes this evening, and Members can expect votes prior to noon tomorrow.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The motion to proceed on H.R. 10 is pending under cloture.

Mr. GRAMS. Mr. President, I ask unanimous consent that that be set aside and I be allowed to speak as in morning business for up to 40 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPROVING SOCIAL SECURITY

Mr. GRAMS. Mr. President, our Nation's Social Security system, forged in a much simpler time and patched and plugged over the years to keep it relevant, has been a godsend for millions of Americans over the program's 63-year history. It doesn't provide a life of luxury, but Social Security offers senior citizens a little bit of certainty during what is often a very tough time.

I have friends and family members who depend on that monthly check from Social Security, and I am grateful that it is there for them and would never do anything to take it away. But that is not to say we can't do something better, or we should not try to improve a system that will not be able to provide that certainty for retirees in the future.

As a product of the 1930s, it is clear that the Social Security system is a system that was best suited for yesterday, not tomorrow. Social Security's pay-as-you-go structure fails to meet the challenge of a sharp demographic change that is now underway in this country. With fewer and fewer workers supporting each retiree, the program is soon to go broke, or it will be too costly for our children and grandchildren to support, thus creating financial hardship for millions of baby boomers and leaving nothing for future generations. In the meantime, Social Security is shortchanging today's workers, denying them the opportunity to expand their personal wealth and control their own financial destinies.

The coming Social Security crisis is real, and it will shatter our economy and destroy the ability of our children to achieve the American dream. The question is, why? Because the only way to save the current system is to raise taxes by more than double, reduce benefits as much as one-third, while raising the age of eligibility to retire as high as 70 years old. These solutions are unacceptable for the workers of the future. If you offered this to somebody, why would they want to pay more, get less, and wait longer for retirement? To be honest with our families, we have no choice but to pursue real reform of Social Security. Mr. President, the sooner we act, the easier and less costly our choices will be and the more secure our children's future will be.

With a strong sense of responsibility, I rise today to introduce legislation that I believe will offer the best solution to avoiding the crisis ahead and preserving Social Security, while providing improved retirement security for every working American as we now approach the 21st century.

Mr. President, during the past six decades, whenever a Social Security crisis would arise, Washington's approach was to tinker with the system by either increasing the payroll tax or reducing benefits. When the tinkering was done, the politicians would slap themselves on the back and claim that Social Security will be solvent for another 50 to 75 years. That has happened more than 50 times—always at the expense of the American workers, who found themselves with higher taxes or lower benefits. But this is obviously the wrong approach. If it had worked before, we would not be where we are today.

Social Security, as you will remember, started off taking only one-half of 1 percent of your income. It is now at 13 percent. One-eighth of everything you make goes into a system that, right now, can't promise you that you are going to get the benefits that you expect.

Unlike any previous crisis, the magnitude of the current situation makes a traditional bailout impossible. Again, under an optimistic scenario, it would require a payroll tax increase of at least 50 percent or a one-third cut in benefits just to keep Social Security from bankruptcy. Under a more realistic ''high-cost'' projection, paying promised Social Security benefits would require the current 12.4 percent payroll tax to be more than doubled to 26 percent. If you include the additional tax to save Medicare, the total payroll tax would have to increase to an astonishing 46 percent, and even a tax hike that massive would be only a temporary fix. The total tax—income and payroll—could reach as high as nearly 80 percent for young Americans who enter the workforce today.

Payroll tax hikes at this rate will heavily burden working Americans who are already struggling to make ends meet. They will rob our children of their financial future, and demolish our economy.

Reducing benefits is not an acceptable solution. Low-income families are increasingly dependent on Social Security; in 1994, Social Security benefits accounted for 92% of the total income received by elderly Americans living alone, beneath the poverty line. A one-third benefit reduction will throw more elderly and disadvantaged Americans into poverty, and cast those already mired in poverty into further desperation. Again, those benefit cuts could be much deeper under more realistic scenarios.

We must abandon the traditional approach to fixing the Social Security system. We must expand our thinking—explore new opportunities to fundamentally change the way we think about Social Security—resolve the problems once and for all and offer the American people nothing less than peace of mind when they retire.

The best solution to avoiding the imminent crisis is to move from Social Security's pay-as-you-go system to a personalized retirement program that is fully funded and offers retirement security to every American. This is not a new idea. Sixty years ago, during debate in this chamber over creation of the Social Security system, Democratic Senator Bennett Clark proposed just such a plan. It passed the Congress overwhelmingly but was pulled out in conference with the promise it would be done the next year.

Again, back in the 1930's, Democratic Senator Bennett proposed a plan for personal accounts for retirement. It passed the Congress overwhelmingly but it was pulled out in conference again with the promise that it would be done the next year. That promise was never kept by the few who advocated a government-financed and run program. During each past crisis, similar proposals of personal retirement accounts have been discussed—yet never implemented.

Today, there are a number of plans that have been introduced by my colleagues from both aisles, favoring diverting anywhere from 1 to 4 percent of the Social Security payroll tax to set up a system of market-based personal retirement accounts. My colleagues are to be commended, Mr. President, and this is a move in the right direction.

However, if a market-based personal retirement system works so well, and is the right things to do as proven by countries like Britain, Chile, Australia and others, we should take full advantage of it by accelerating the wealth building for retirement security and expediting the transition from a PAYGO system to a fully funded system.

Mr. President, this is precisely the reason I am introducing my reform plan.

My legislation, the ''Personal Security and Wealth in Retirement Act,'' is based on six fundamental principles, principles that must guide Congress in any effort we undertake to ensure retirement security. The primary principle is to protect current and future beneficiaries, including disadvantaged and disabled adults or children, who choose to stay within the traditional Social Security system. The government must guarantee their benefits. There should be no change that reduces their benefits, and no retirement age increase.

Let me say that again: a guarantee of no change in benefits or age of retirement for those who wish to stay within